Message Text

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INFO OCT-01 ISO-00 L-03 EA-11 COME-00 SAJ-01 OMB-01 TRSE-00

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FM SECSTATE WASHDC

TO AMEMBASSY BUDAPEST PRIORITY

CONFIDENTIAL STATE 052994

E.O. 11652: N/A

TAGS: SCUL, MARR, EFIN, PFOR, HU

SUBJECT: AMBASSADOR'S MEETING WITH NAGY

REFS: A) BUDAPEST 0620 B) STATE 018397 C) STATE 017669 D) STATE 037892 E) STATE 046859

F) STATE 045415

1. DEPARTMENT FULLY AGREES WITH APPROACH TO NAGY OUTLINED REF A. WE ARE PLEASED WITH RESULT KASSOF VISIT, AND ARE HOPEFUL THAT KKI-IREX PROGRAM WILL NOW RETURN TO NORMAL. AT SAME TIME, AMBASSADOR'S PERSONAL ATTENTION TO RESOLUTION OF DEAK CASE, WITHOUT WHICH THIS RESULT COULD NOT HAVE BEEN ACHIEVED, HAS BEEN MOST HELPFUL. CONFIDENTIAL

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- 2. WITH PRESENTATION TRAVEL PACKAGE (REF B), WE NOW ANTICIPATE CONSTRUCTIVE FORWARD MOVEMENT IN OUR RELATIONS WITH GOH. IN THIS CONNECTION WE WILL BE INTERESTED TO SEE WHETHER NAGY BRINGS UP CULTURAL, SCIENTIFIC AND TECHNICAL EXCHANGES AGREEMENT. WE CONTINUE TO BELIEVE (PARA 7 REF D) THAT NEXT MOVE SHOULD BE LEFT UP TO GOH.
- 3. AT YOUR DISCRETION, YOU MAY WISH TO REFER TO EMBASSY'S DISCUSSIONS WITH ISTVAN KISS OF FOREIGN MINISTRY REGARDING

THE MATTER OF GOH CANCELLATION OF BLOCKED ACCOUNTS WHICH WERE ESTABLISHED FROM FUNDS RECEIVED AS COMPENSATION FOR THE TAKING OF PROPERTY IN HUNGARY (REF E AND PREVIOUS). AS TESTIMONY ON BILL TO AUTHORIZE FOREIGN CLAIMS SETTLE-MENT COMMISSION TO RECEIVE AND ADJUDICATE CLAIMS WHICH AROSE DURING PERIOD AFTER AUGUST 9, 1955 UNTIL MARCH 6, 1973, WHICH WERE COVERED BY THE CLAIMS AGREEMENT OF MARCH 6, 1973, WILL BE HELD APRIL 4, RESOLUTION OF THIS MATTER NOW WILL BE HELPFUL.

- 4. YOU MIGHT ALSO MENTION FORTHCOMING VISIT EXECUTIVE LEVEL TRADE MISSION (STATE 045960) AS EVIDENCE CONTINUING HIGH-LEVEL INTEREST US-HUNGARIAN TRADE. DEPUTY MINISTER JANOS SZITA, HAS HAD FULL SCHEDULE ACTIVITIES HERE (STATE 050422), WHICH ALSO INCLUDED MARCH 15 LUNCH HOSTED BY ROY ASH, DIRECTOR OMB, IN WHITE HOUSE STAFF DINING ROOM. FOLLOWING LUNCHEON, SZITA, AMBASSADOR SZABO AND MOLNAR WERE GIVEN SHORT PRIVATE WHITE HOUSE TOUR INCLUDING OVAL OFFICE. AS EMBASSY HAD SURMISED, HIS MAIN INTEREST HERE HAS BEEN PROSPECTS FOR MFN AND POSSIBILITIES FOR MEDIUM-TERM EXPANSION US-HUNGARIAN TRADE. FOR ANY DISCUSSION OF MFN WITH NAGY, PRESUME YOU WILL HAVE SEEN MARCH 7-8 WIRELESS FILES CONTAINING SECRETARY KISSINGER'S STATEMENT ON TRADE REFORM ACT BEFORE SENATE FINANCE COMMITTEE.
- 5. THIS MEETING WITH NAGY MIGHT ALSO BE APPROPRIATE OCCASION TO RAISE THE ICCS SUB-REGIONAL SIE ISSUE (REF F). OR O OUTLINE WITH NAGY THE POINTS YOU INTEND TO MAKE WITH MARJAI BUDAPEST 596). KISSINGER CONFIDENTIAL

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